
HOUSE BILL 2382

State of Washington 60th Legislature 2007 Regular Session

By Representative Fromhold

Read first time 03/13/2007. Referred to Committee on Capital Budget.

1 AN ACT Relating to state trust lands; amending RCW 79.13.010,
2 79.13.060, 79.13.110, and 79.17.200; creating a new section; and
3 declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 79.13.010 and 2003 c 334 s 366 are each amended to
6 read as follows:

7 (1) Subject to other provisions of this chapter and subject to
8 rules adopted by the board, the department may lease state lands for
9 purposes it deems advisable, including, but not limited to, commercial,
10 industrial, residential, agricultural, and recreational purposes in
11 order to obtain a fair market rental return to the state or the
12 appropriate constitutional or statutory trust.

13 (2) Notwithstanding any provision in this chapter to the contrary,
14 in leases for residential purposes, the board may waive or modify any
15 conditions of the lease if the waiver or modification is necessary to
16 enable any federal agency or lending institution authorized to do
17 business in this state or elsewhere in the United States to participate
18 in any loan secured by a security interest in a leasehold interest.

1 (3) Any land granted to the state by the United States may be
2 leased for any lawful purpose in such minimum acreage as may be fixed
3 by the department.

4 (4) The department shall exercise general supervision and control
5 over the lease of state lands for any lawful purpose.

6 (5) State lands leased or for which permits are issued or contracts
7 are entered into for the prospecting and extraction of valuable
8 materials, coal, oil, gas, or other hydrocarbons are subject to the
9 provisions of chapter 79.14 RCW.

10 (6) The department may also lease state lands or development rights
11 on state lands to public agencies, as defined in RCW 79.17.200.

12 **Sec. 2.** RCW 79.13.060 and 2003 c 334 s 323 are each amended to
13 read as follows:

14 (1) State lands may be leased not to exceed ten years with the
15 following exceptions:

16 (a) The lands may be leased for agricultural purposes not to exceed
17 twenty-five years, except:

18 (i) Leases that authorize tree fruit or grape production may be for
19 up to fifty-five years;

20 (ii) Share crop leases may not exceed ten years;

21 (b) The lands may be leased for commercial, industrial, business,
22 or recreational purposes not to exceed fifty-five years;

23 (c) The lands may be leased for public school, college, or
24 university purposes not to exceed seventy-five years; (~~and~~)

25 (d) The lands may be leased for residential purposes not to exceed
26 ninety-nine years; and

27 (e) The lands and development rights on state lands may be leased
28 to public agencies, as defined in RCW 79.17.200, not to exceed
29 ninety-nine years. The leases may also include provisions for renewal
30 of lease terms.

31 (2) No lessee of state lands may remain in possession of the land
32 after the termination or expiration of the lease without the written
33 consent of the department.

34 (a) The department may authorize a lease extension for a specific
35 period beyond the term of the lease for cropping improvements for the
36 purpose of crop rotation. These improvements shall be deemed
37 authorized improvements under RCW 79.13.030.

1 (b) Upon expiration of the lease term, the department may allow the
2 lessee to continue to hold the land for a period not exceeding one year
3 upon such rent, terms, and conditions as the department may prescribe,
4 if the leased land is not otherwise utilized.

5 (c) Upon expiration of the one-year lease extension, the department
6 may issue a temporary permit to the lessee upon terms and conditions it
7 prescribes if the department has not yet determined the disposition of
8 the land for other purposes.

9 (d) The temporary permit shall not extend beyond a five-year
10 period.

11 (3) If during the term of the lease of any state lands for
12 agricultural, grazing, commercial, residential, business, or
13 recreational purposes, in the opinion of the department it is in the
14 best interest of the state so to do, the department may, on the
15 application of the lessee and in agreement with the lessee, alter and
16 amend the terms and conditions of the lease. The sum total of the
17 original lease term and any extension thereof shall not exceed the
18 limits provided in this section.

19 **Sec. 3.** RCW 79.13.110 and 2003 c 334 s 368 are each amended to
20 read as follows:

21 (1) The department may authorize the use of state land by lease at
22 state auction for initial leases or by negotiation for existing leases.

23 (2) Leases that authorize commercial, industrial, or residential
24 uses may be entered into by public auction or negotiations at the
25 option of the department. Negotiations are subject to rules approved
26 by the board.

27 (3) Leases to public agencies, as defined in RCW 79.17.200, may be
28 entered into by negotiations. The leases may allow for a lump sum
29 payment for the entire term of the lease at the beginning of the lease.
30 The department shall consider the appraised fair market value of the
31 land minus the present value of the residual value of the land at the
32 end of the lease in calculating the lump sum payment. Renewal terms
33 for the leases must include provisions for calculating appropriate
34 payments upon renewal.

35 **Sec. 4.** RCW 79.17.200 and 1992 c 167 s 2 are each amended to read
36 as follows:

1 (1) For the purposes of this section, "public agency" means any
2 agency, political subdivision, or unit of local government of this
3 state including, but not limited to, municipal corporations, quasi-
4 municipal corporations, special purpose districts, and local service
5 districts; any agency of the state government; any agency of the United
6 States; and any Indian tribe recognized as such by the federal
7 government.

8 (2) With the approval of the board of natural resources, the
9 department of natural resources may directly transfer, lease, or
10 dispose of real property, without public auction, in the following
11 circumstances:

- 12 (a) Transfers in lieu of condemnations;
- 13 (b) Transfers or leases to public agencies; and
- 14 (c) Transfers to resolve trespass and property ownership disputes.

15 (3) Real property to be transferred, leased, or disposed of under
16 this section shall be transferred, leased, or disposed of only after
17 appraisal and for at least fair market value, and only if such
18 transaction is in the best interest of the state or affected trust.

19 NEW SECTION. **Sec. 5.** This act does not affect any existing right
20 acquired or liability or obligation incurred under the sections amended
21 or under any rule or order adopted under those sections, nor does it
22 affect any proceeding instituted under those sections.

23 NEW SECTION. **Sec. 6.** If any provision of this act or its
24 application to any person or circumstance is held invalid, the
25 remainder of the act or the application of the provision to other
26 persons or circumstances is not affected.

27 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
28 preservation of the public peace, health, or safety, or support of the
29 state government and its existing public institutions, and takes effect
30 immediately.

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